

The Baldwin Locomotive Works

Standard Steel Works Co.

PHILADELPHIA, PA., U. S. A



Report

DECEMBER 31, 1923

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Thirteenth Annual Report

The Baldwin Locomotive Works

December 31, 1923

AUG 22 1924

THE BALDWIN LOCOMOTIVE WORKS

Incorporated under the Laws of the State of Pennsylvania
June 7, 1911

DIRECTORS

THOMAS S. GATES, <i>Chairman</i>	Philadelphia
WILLIAM L. AUSTIN	Rosemont, Pa.
SAMUEL M. VAUCLAIN	Rosemont, Pa.
SAMUEL F. PRYOR	New York City
WILLIAM E. COREY	New York City
SYDNEY E. HUTCHINSON	Philadelphia
SIDNEY F. TYLER	Philadelphia
B. DAWSON COLEMAN	Lebanon, Pa.
HAROLD T. WHITE	New York City
THOMAS G. ASHTON	Philadelphia
ARTHUR W. SEWALL	Philadelphia
JOHN M. HANSEN	Pittsburgh

OFFICERS

SAMUEL M. VAUCLAIN	President
JOHN P. SYKES	Senior Vice-President in Charge of Plants and Manufacture
WILLIAM DE KRAFFT	Vice-President in Charge of Finance, and Treasurer
GRAFTON GREENOUGH	Vice-President in Charge of Domestic Sales
F. DE ST. PHALLE	Vice-President in Charge of Foreign Sales
JAMES McNAUGHTON	Vice-President in Charge of the New York Office
CHARLES A. BOURGEOIS	Vice-President in Charge of Manufacture
JACQUES L. VAUCLAIN	Vice-President in Charge of Plant and Equipment
HARRY GLAENZER	Vice-President in Charge of Engineering
WILLIAM A. RUSSELL	Vice-President in Charge of Purchases
HENRY V. WILLE	Consulting Vice-President Concerning Engineering and Metallurgy
ARTHUR L. CHURCH	Secretary and Assistant Treasurer
A. B. EHST	Comptroller

GENERAL COUNSEL

MORGAN, LEWIS & BOCKIUS
934 Land Title Building, Philadelphia

THE BALDWIN LOCOMOTIVE WORKS

General Offices of the Company

500 North Broad Street, Philadelphia

TRANSFER AGENTS

IN PHILADELPHIA: Philadelphia Trust Company, 415 Chestnut Street
IN NEW YORK: Bankers Trust Co., 16 Wall Street

REGISTRARS OF STOCK

IN PHILADELPHIA: The Pennsylvania Co. for Insurances on Lives and Granting Annuities, 517 Chestnut Street
IN NEW YORK: Guaranty Trust Company of New York, 140 Broadway

REPRESENTATIVES AND AGENTS

Boston, Mass.	HENRY BARTLETT	185 Devonshire Street
Chicago, Ill.	CHARLES RIDDELL	627 Railway Exchange
Houston, Texas	RUSSELL A. HEY	1108-9 Second National Bank Building
New York, N. Y.	JAMES McNAUGHTON	120 Broadway
Pittsburgh, Pa.	CHAS. E. HALE	375 Union Trust Bldg.
Portland, Ore.	A. J. BEUTER	313 Northwestern Bank Building
Richmond, Va.	G. F. JONES	512 Richmond Trust Bldg.
St. Louis, Mo.	A. S. GOBLE	1210 Boatmen's Bank Bldg.
St. Paul, Minn.	HENRY BLANCHARD	908 Merchants National Bank Building
San Francisco, Cal.	WILLIAMS, DIMOND & Co.	310 Sansome Street
Los Angeles, Cal.	C. PARRY VAUCLAIN	702 Pacific Electric Bldg.
City of Mexico	PAUL G. CHEATHAM	2a Capuchinas, 48, D. F.
Africa	L. M. McKUNE	P. O. Box 7017, Johannesburg, South Africa
"	VINES & Co.	P. O. Box 790, Lourenco Marques, P. E. A.
Argentina	WALLACE R. LEE	185 Paseo Colon, Railway Bldg., Buenos Aires
Australia	R. TOWNS & Co.	31 Reiby Lane, Sydney, New South Wales
"	NEWELL & Co.	189 King Street, Melbourne, Victoria
"	LESLIE & Co.	959-61 Hay Street, Perth, Western Australia

Brazil	C. H. CRAWFORD	Caixa Postal 350, Rio de Janeiro
"	CORY BROS. & CO., LTD.	{ Caixa Postal 38, Bahia Caixa Postal 39, Pernambuco
"	EDWARD C. HOLDEN	Caixa Postal 68, Para
Chile	CHAS. R. CULLEN	Casilla 109 D, Santiago
China	ANDERSEN, MEYER & CO., LTD.	Shanghai and Peking
Dutch East Indies	J. M. WRIGHT	Nillmy Bldg., Bandoeng, Java
France	P. NEGRIER	14 Rue Duphot, Paris
Great Britain	R. P. C. SANDERSON	34 Victoria St., London, S. W. 1.
Hawaiian Islands	C. BREWER & CO., LTD.	Honolulu, T. H.
India	F. T. SLAYTON	Temple Chambers, No. 6 Old Post Office St., Calcutta
Japan	SALE & FRAZAR, LTD.	Tokio
Manchuria	J. W. KELKER	21 Novotorgovaya St., Harbin
Mauritius	STAFFORD, MAYER & CO.	Port Louis
New Zealand	PHILIPS & PIKE	Box 166, Wellington
Northeastern Europe	FRANK W. MORSE	Krolewska No. 1, Warsaw, Poland
Peru	CHAS. R. CULLEN	Apartado 1417, Lima
Philippines	PACIFIC COMMERCIAL CO.	Manila
Porto Rico	R. CARRION	Bank of Nova Scotia Bldg., San Juan
Portugal	E. PINTO BASTO & CO., LTD.	64 Caes do Sodre, Lisbon
Scandinavia	OLAV BELSHEIM	Toldbogaden No. 8, Christiania, Norway
Southeastern Europe	E. ST. J. GREBLE, JR.	19 Strada Brezoiano, Bucharest, Roumania
Cuba and Jamaica	G. R. PEREZ	520 National Bank of Cuba Bldg., Havana, Cuba

PLANTS

PHILADELPHIA AND EDDYSTONE
PENNSYLVANIA

STANDARD STEEL WORKS COMPANY

Incorporated under the Laws of the State of Pennsylvania
December 20, 1907

DIRECTORS

WILLIAM L. AUSTIN	Rosemont, Pa.
SAMUEL M. VAUCLAIN	Rosemont, Pa.
SYDNEY E. HUTCHINSON	Philadelphia
SIDNEY F. TYLER	Philadelphia
B. DAWSON COLEMAN	Lebanon, Pa.
ARTHUR W. SEWALL	Philadelphia
THOMAS S. GATES	Philadelphia

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A. A. STEVENSON	Vice-President in Charge of Manufacture
RICHARD SANDERSON	Vice-President in Charge of Sales
WILLIAM A. RUSSELL	Vice-President in Charge of Purchases
HENRY V. WILLE	Consulting Vice-President Concerning Engineering and Metallurgy
ARTHUR L. CHURCH	Secretary
A. B. EHST	Comptroller

PLANT

BURNHAM, MIFFLIN COUNTY
PENNSYLVANIA

To the Stockholders of The Baldwin Locomotive Works

The President submits to the Stockholders his report for the calendar year 1923—presenting:

The Baldwin Locomotive Works Summary of Operations, page 7.

The Baldwin Locomotive Works Balance Sheet, page 8.

Standard Steel Works Company Balance Sheet, page 9.

The Consolidated Balance Sheet, page 10.

The Report of Certified Public Accountants, page 11.

Business during the year has been very satisfactory.

Your workshops have been properly maintained and improved, and are fully prepared for such business as may offer during the year 1924.

S. M. VAUCLAIN,
President.

THE BALDWIN LOCOMOTIVE WORKS

Summary of Operations for the Year Ending December 31, 1923

Sales		
Cash Basis.....	\$100,497,265.56	
Deferred Basis.....	2,264,809.72	\$102,762,075.28
Cost		
Cash Basis.....	\$90,727,567.80	
Deferred Basis.....	1,849,752.10	\$92,577,319.90
Manufacturing Profit		
Cash Basis.....	\$9,769,697.76	
Deferred Basis.....	415,057.62	\$10,184,755.38
Other Income.....		2,912,843.95
Gross Profit.....		\$13,097,599.33
Deduct Other Expense, etc.....		1,166,077.40
Profit.....		\$11,931,521.93
Less Reserves		
For Removals and Taxes.....	\$ 4,400,000.00	
For Dividends, 1924.....	2,800,000.00	
For Depreciation.....	600,000.00	
For Deferred Profit.....	415,057.62	8,215,057.62
Net Cash Profit.....		\$3,716,464.31
Dividend on Preferred Stock.....	\$ 1,400,000.00	
Dividend on Common Stock.....	1,400,000.00	2,800,000.00
Surplus.....		\$916,464.31

(Subject to revision to meet any changes in interpretation of Federal Tax Laws,
Regulations or Rulings.)

THE BALDWIN LOCOMOTIVE WORKS

Balance Sheet, December 31, 1923

ASSETS		LIABILITIES	
PLANT AND EQUIPMENT		CAPITAL STOCK	
Land and Buildings	\$15,618,573.60	Preferred	\$20,000,000.00
Machinery and Fixtures	14,291,116.19	Common	20,000,000.00
	<u>\$29,909,689.79</u>		<u>\$40,000,000.00</u>
Less Depreciation, 1923	600,000.00		
	<u>\$29,309,689.79</u>	FIRST MORTGAGE BONDS	<u>10,000,000.00</u>
INVESTMENTS			
Standard Steel Works Co.	\$7,041,501.31	CURRENT LIABILITIES	
Chicago Plant	398,334.22	Accounts Payable	\$3,203,775.22
Dwelling House	5,880.00	*Bills Payable	4,500,000.00
		Depositors' Saving Fund	1,818,179.38
	<u>7,445,715.53</u>		<u>9,521,954.60</u>
CURRENT ASSETS			
Inventories	\$ 5,154,511.16	INTEREST	
Accounts Receivable	17,253,041.97	Accrued Interest on Bonds	\$ 83,334.00
Bills Receivable	3,646,441.81	Interest Received in Advance	445,247.54
Republic of Poland Bonds (5%)	5,830,000.00		<u>528,581.54</u>
Roumanian Treasury Notes (7%)	1,443,756.00		
Argentine State Rys. (Notes)	6,971,450.00	RESERVES	
Mexican Govt. Rys. (Notes)	2,381,519.02	Deferred Profit	\$4,192,363.13
Chinese Govt. (Kinlan Ry.)	1,485,000.00	Preferred and Common	2,800,000.00
Republic of Colombia (Notes)	356,706.30	Dividends, 1924	4,538,388.88
Miscellaneous Securities	880,913.98	Removals and Taxes	
Cash	6,458,682.51		<u>11,530,752.01</u>
	<u>51,862,022.75</u>		
DEFERRED CHARGES		SURPLUS	
Engineers, etc.	\$ 8,966.65	December 30, 1922	\$18,930,777.89
Advances to Agents	278,446.63	Profit, 1923	916,464.31
Federal Taxes	180,511.51		<u>19,847,242.20</u>
Interest Paid in Advance	71,052.49		
	<u>538,977.28</u>		
SINKING FUND			
First Mortgage Bonds	2,272,125.00		
	<u>\$91,428,530.35</u>		<u>\$91,428,530.35</u>

(Subject to revision to meet any changes in interpretation of Federal Tax Laws, Regulations or Rulings.)

*Paid in January, 1924

STANDARD STEEL WORKS COMPANY

Balance Sheet, December 31, 1923

ASSETS		LIABILITIES	
PLANT AND EQUIPMENT		Capital Stock.....	
Land and Buildings.....	\$2,846,955.52	First Mortgage Bonds.....	\$6,000,000.00
Machinery and Fixtures.....	7,227,354.20		1,800,000.00
	10,074,309.72	CURRENT LIABILITIES	
		Accounts Payable.....	\$ 312,105.82
		Accounts Payable (B. I. W.).....	1,505,724.04
		Saving Funds.....	157,005.62
			1,974,835.48
		RESERVES	
		Income Taxes.....	1,082,932.71
CURRENT ASSETS		SURPLUS	
Inventories.....	\$2,179,733.30	December 30, 1922.....	2,552,821.27
Accounts Receivable.....	926,293.91		
Bills Receivable.....	169,548.11		
Marketable Securities.....	139,841.25	Profit, 1923.....	\$770,322.92
Cash.....	91,186.09	Less Dividends.....	600,000.00
	3,506,602.66		2,723,144.19
	13,580,912.38		13,580,912.38

(Subject to revision to meet any changes in interpretation of Federal Tax Laws, Regulations or Rulings.)

STOCKWELL, WILSON & LINVILL

CERTIFIED PUBLIC ACCOUNTANTS

To the Stockholders of The Baldwin Locomotive Works

We have examined the books of The Baldwin Locomotive Works and the Standard Steel Works Company for the year ending December 31, 1923. In further verification of assets appearing on the books, we inspected and counted the notes receivable, securities, cash in hand, and obtained confirmation of bank balances and securities held by banks for your account.

While we did not actually count and weigh the merchandise, materials and finished stock, we inspected the inventory sheets and many of the items thereon as to price, extensions and footings thereof. The basis of valuation throughout was cost or market, whichever was lower, except that goods-in-process under sales contracts were valued at cost.

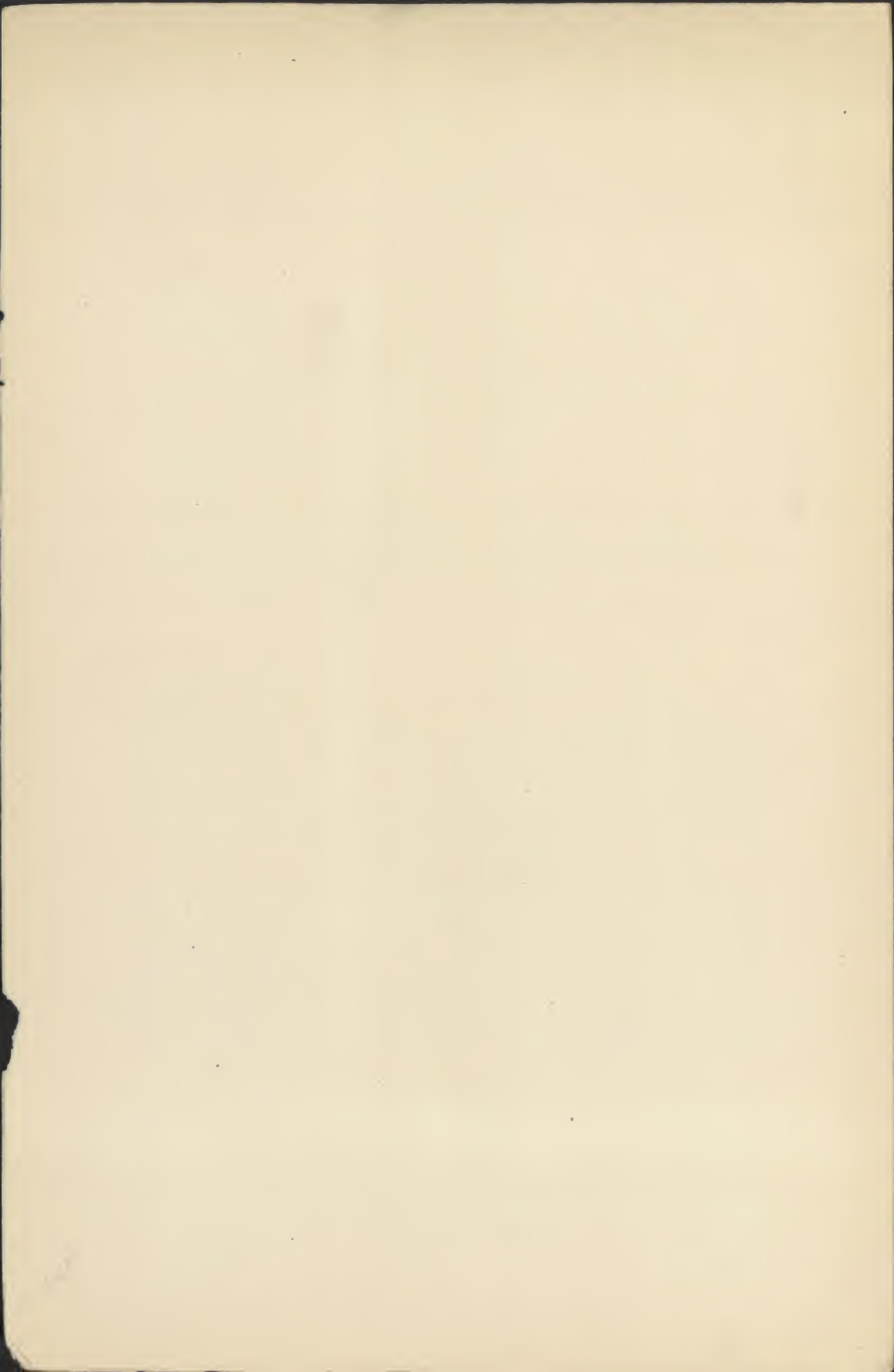
An examination of the details of the accounts receivable shows them to represent current, good book accounts, all accounts known to be bad having been charged off.

We did not make a physical inspection of the plant, but did examine the amounts added to the plant accounts during the year, and are satisfied that they constitute proper charges. Reserves have been set up for depreciation of plant and machinery and for Federal taxes.

Subject to the foregoing, the consolidated balance sheet represents the true financial condition of your company as of December 31, 1923.

STOCKWELL, WILSON & LINVILL,
Certified Public Accountants.

Philadelphia, Feb. 8, 1924.
Land Title Building.





MADE IN U.S.A.
B. & O.
1887